Interest paid on Foreign Loans

2271. SHRI ASHIS SEN : Will the Minister of FINANCE be pleased to and

(a) what is the amount of interest paid on borrowings from World Bank, IMF, Aid-India Consortium and Asian Development Bank, seperately, during the years 1985-86, 1990-91, 1991-92 and that payable during 1992-93;

(b) whether any repayment of instalments are due during the year 1992-93; and

(c) what are the amounts in respect of each of the aforesaid lenders/aidgivers ?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE : (SHRI RAMESHWAR THAKUR) : (a) Information is given below :

	Amount of Interest Paid During			
	1995-86	1990-91	1991-92	1992-93 (Est.) (Rs. Crores)
1. Members of Aid India Consortium of which	508.2	1765.1	2608.3	2800.1
(a) World Bank	302.7	1197.7	1728.5	1813·3
(b) Asian Development Bank	Nil	14.9	56.9	99.5
2. I. M. F. (EFF)	417.2	219.4	468.8	1069.6

(b) Yes, Sir.

(c) The amount of repayment of instalment due to Members of the Aid India Cnosortium is estimated to be Rs. 3573.9 crores during 1992-93. Of this, the share of World Bank and Asian Development Bank is Rs. 2080.4 crores and Rs. 16.5 crores respectively. The repayment of instalment due to IMF is estimated to be Rs. 842.3 crores during 1992-93.

Foreign Borrowings Leading to Debt Trap

2272. DR. NAUNIHAL SINGH :
SHRI TRILOKI NATH CHATURVEDI :
DR. MURLI MANOHAR JOSHI :

Will the Minister of FINANCE be pleased to state :

(a) whether it is a fact that a stage has been reached or is about to reach when incremental borrowings will be needed to cover the interest liabilities on outstanding debts;

(b) if so, what steps are being taken to save the country from this debt trap;

(c) whether it is also a fact that the country is getting into a situation of debt trap with regard to foreign borrowings;

(d) if so, what steps are being taken to avert the crisis; and

(e) what percentage of foreign borrowings in 1991-92 and 1992-93 so far have been used for capital expenditure and for debt servicing separately and what steps are being taken to reduce the quantum of foreign borrowings ?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE : (SHRI RAMESHWAR THAKUR) : (a) No, Sir.

(b) Does not arise.

(c) No, Sir.

(d) Does not arise.

(e) Foreign borrowings is resorted to for meeting the foreign exchange requirement of various projects and Non-Projects needs of the economy and is utilised according to the terms and conditions of mutually agreed bilateral/multilateral agreements. The Government has taken a number of steps to bring about improvements in revenue receipts and eliminate inessential and low priority expenditure, to boost exports and to increase invisible earnings, to ensure efficient import substitution and to reduce dependence on borrowed funds for financial expenditure.